



# Composition and Management of Resource Sharing Agreements

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# One-Stop Comprehensive Financial Management Technical Assistance Guide

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- Issued as Final July 2002
- Best resource on developing cost allocation plans and resource sharing agreements
- Complete copy can be downloaded from [www.usworkforce.org](http://www.usworkforce.org)



# One-Stop System Designs

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- Co-location with coordinated delivery of services
- Full integration
- Electronic data sharing
- Combination of these designs



# Memorandum of Understanding (MOU)

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- Must address how services will be provided through the One-Stop delivery system
- Must identify methods for referral of customers
- Must address how costs of services and One-Stop operations will be funded
- Must specify duration of the MOU
- Must identify procedures for modification



# Cost Allocation vs. Resource Sharing

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- Cost Allocation = Methodology for determining how costs are equitably distributed among One-Stop partners
- Resource Sharing = How partners pay for shared costs of operating the One-Stop



# Cost Allocation Plans (CAP)

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- Only need to identify shared costs (those applying to more than one agency and not direct to a program)
- Should be based upon benefits received
- Reference in MOU
- Will depend upon design of One-Stop system
- Must be defined by partners and One-Stop Operator



# Examples of Shared Costs

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- Facilities
- Telecommunications
- Universal Access
- Common Supplies and equipment
- Resource center
- Common employer services
- Common program services staff

Source: One-Stop Comprehensive Financial Management TAG, Section I-1



# Cost Allocation Methodologies for One-Stop Shared Costs

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- Occupancy
- Position Usage
- Equal Access
- Program Participation
- Eligibility
- Weighted Time Distribution
- Data Requirements

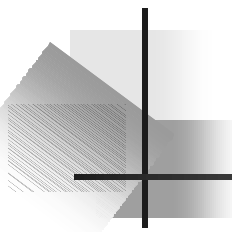




# Resource Sharing Agreements (RSA)

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- Should be referenced in MOU and included as an attachment so modifications to MOU are not necessary if CAP/RSA changes
- Resource sharing does not need to be in the form of cash payments by partners



# Elements of Resource Sharing Agreements

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- List of all partners
- List of all shared costs
- Shared costs budget
- Cost allocation plan
- Shared costs by partner
- Resources
- Reconciliation and modification

Source: One-Stop Comprehensive Financial Management TAG, Section I-5



# Midlands Workforce System

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## Cost Allocation Plan & Resource Sharing Agreement



## Midlands Workforce Investment Area (MWIA)

# One-Stop System

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- 24 partner representatives from the three-county service area co-located on full- and part-time basis
- S.C. Employment Security Commission local offices serve as host sites
- Comprehensive center in Columbia
- Affiliate centers in Lexington & Winnsboro
- One-Stop Liaison coordinates partner activities



# Midlands WIA CAP/RSA Challenges

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- Large number of co-located partners
- Limited initial guidance from Federal or State levels
- One-Stop centers located in S.C. Employment Security Commission facilities (State Government)
- No electronic customer tracking system for One-Stop services
- Use individual center vs. system approach?



# MWIA Initial Cost Allocation & Resource Sharing Approach

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- Cost allocation plan was developed to determine pooled costs
- Used FTE methodology based on number of partner staff hours per week in resource room
- Partner staff personnel costs made up resource sharing as in-kind contributions



# MWIA

## Lessons Learned

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- Partners did not consistently work in resource room
- In-kind can only be used when it is a third party contribution
- FTE methodology carries greater restrictions:
  - Partner must provide staff resources in proportion to allocable share
  - Time must be made up for absences or must provide alternate resources



# MWIA

## Next Steps

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- Contracted with consultant to assist in developing CAP/RSA:

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# MWIA

## One-Stop Shared Costs

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- System Wide Costs – equally shared across system (e.g. One-Stop Liaison, marketing)
- Center Specific Costs – unique to each center (e.g. rent, utilities, janitorial & maintenance, office equipment rental & maintenance, security, data lines, Internet access, State liability insurance, common supplies, resource room staff, information center)



# MWIA

## One-Stop Cost Pools

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- System Costs – distributed on basis of equal benefit to all partners
- Operational Costs – allocated on basis of # of staff hours attributable to a partner program as compared to total staff hours of each center
- Resource Room Costs – allocated on same basis as Operational Costs
- Information Center Costs – allocated on FTE basis to all partners in Columbia center



# MWIA Implementation

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- Partner meeting for One-Stop budget approval
- Partners' Signatory Authority for payment category options
- Reconcile Quarterly Partner contributions and incurred costs for necessary adjustments



# Bottom Line on CAP/RSA

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- Feds have been lenient the first two years but do not expect the same for current or subsequent years
- There are no canned formats to follow
- Will vary based on One-Stop design
- Partners must be involved in process